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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/180

31 December 1962

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events  
14-27 December 1962

Soviet Premier Khrushchev has sent a letter to President Sukarno stating that the USSR is prepared to take all possible steps to ease Indonesia's debt repayment problem, including rescheduling the payments over 20 to 25 years. The economic delegation, which had been scheduled to arrive in Djakarta on 15 December to discuss the repayment problem, will come in January to work out the details of the new payment arrangements.

A joint shipping service composed of vessels operated by Cuba, Poland, Czechoslovakia, and East Germany will be initiated on 1 January 1963 to handle all Bloc shipping to Cuba from Baltic ports. This action is needed to insure continued shipping facilities to and from Cuba in view of the Bloc's increasing difficulty in chartering Free World vessels for this run.

On 22 December the USSR inaugurated a new nonstop civil air route over international waters to Havana. Tu-114 aircraft will be used on the flights and will provide the USSR with a rapid and secure -- but expensive -- route to Cuba for high-priority cargo and personnel.

Since late in September the Chilean Government has sold nearly 3,000 tons of electrolytic copper, valued at slightly less than \$2 million, to the USSR. These are the first government-to-government sales between Chile and the USSR; they have added significance because they indicate Soviet acquiescence to Chilean demands for hard currency in payment.

Increased activity in East Africa may presage an unusually vigorous drive to establish Chinese Communist influence in the area.

A Hungarian delegation toured a number of West and North African countries in December. Trade, cultural, and scientific-technical cooperation agreements were concluded with some countries.

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The USSR has made a formal request to the Somali Republic for Aeroflot overflight and landing privileges. A similar request reportedly has been made to Ethiopia.

India will send 5 crews and 82 technicians to the USSR for training on An-12 transports. Negotiations are underway for the purchase of additional aircraft of this type as well as Mi-6 helicopters and for the right to manufacture Mi-4 helicopters.

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